

believes the agreements that BST has entered into has limited the directory listings available to all customers to only the listings that LECs, either ILECs or ALECs, want its competitors to see. Staff doesn't believe that is appropriate violates the non-discrimination provisions of the Act.

(196) AT&T/ MCI argue that the rates used by BST for operator call completion services do not comply with section 252 (d) (1) (a) (I) and section 252 (d) (1) (A) (ii) because the arbitrated rates are not based on cost and because they are interim. AT&T/MCI contend that since the rates were determined using the Hatfield model or tariffed rates, they cannot be in compliance with the requirement of section 252.

While some of the objections raised by the intervenors did not constitute discrimination by BST, AT&T/MCI's contention regarding the rates, and MCI's contention regarding the access to databases demonstrated discrimination by BST in the provision of directory assistance services. Staff believes that with all of the information obtained during this proceeding, that at this time, it appears that BST has not met the requirements of providing non-discriminatory access to directory listings.

ITEM xi: NUMBER PORTABILITY

(FLA240-241) Staff also points out that in Order No. PSC-96-1579-FOF-TP, the Florida Commission determined that LERG and RI-PH were technically feasible and required BST to provide these methods as well as RCF and DID upon request. Staff notes that ultimately BST must demonstrate that it provides all requested technically feasible interim number portability arrangements... Staff points out that AT&T indicates that it ordered RI-PH in Georgia, but that BST has yet to provide this service. Staff maintains that AT&T states that if RI-PH does not work in Georgia, AT&T does not expect the servers to work in Florida... Additionally, staff believes that the testimony presented by BST does not sufficiently demonstrate that it is capable of providing RI-PH on a commercial basis. Although AT&T has not formally requested RI-PH in Florida, staff notes that the provision of RI-PH should be no different in Florida than Georgia. While staff acknowledges that BST is working in good faith to provide RI-PH AT&T, we do not believe that BST can provide this service on a commercial basis with minimum impairment of functionality, quality, and reliability at this time. Thus, based on the testimony, staff does not believe that BellSouth has met the requirements to satisfy checklist item xi.

ITEM xiii: RECIPROCAL COMPENSATION

(FLA251-252) BST sent a letter dated August 12, 1997, to ALECs with whom it has existing agreements, stating that ISP traffic is jurisdictionally interstate, and therefore ineligible for reciprocal compensation. In the letter, BST stated that its would not pay for calls its customers made to ISPs served by ALECs, and "would make every effort" not to bill ALECs for calls their customers made to BST's ISPs. The letter was sent after testimony was filed in this case, and, therefore, the issue was only explored at hearing.

FCCA cites its members' opinion that BST's actions constitute a breach of contract, the violation of the dispute resolution clauses in the agreements, and an active of bad faith on BST's part.

Witness Varner acknowledges that the issue is in dispute and is the subject of two proceedings at the FCC.

WorldCom, states that BST has a made unilateral attempt to begin withholding compensation for calls to WorldCom's local exchange customers who are Internet providers, despite BST's contractual agreement to compensate WorldCom for such calls. WorldCom states that it views BST's actions as a breach of interconnection agreement.

ITEMS xiv: RESALE

(FLA 263) However, based on the evidence in this proceeding, staff is unable to confirm the actual number of services that BellSouth has resold in Florida. Nevertheless, it appear that the ALECs have not had problems with resold services once they have received them, with the exception of a voice mail service problem that MCI has experienced; however, ALECs are experiencing many problems with the interfaces, operational support systems, and billing of the correct wholesale discount rates, contrary to the non-discriminatory requirements of the Act and the applicable FCC and FPSC orders.



Consumer Federation of America

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SOUTH CAROLINA PHONE CUSTOMERS STILL HOSTAGE TO BELLSOUTH MONOPOLY

Consumer Group Asks FCC to Deny Bellsouth Application for Long Distance Approval

Washington, D. C. -- South Carolina consumers still have no choice for local telephone service, according to a Consumer Federation of America (CFA) filing at the Federal Communications Commission (FCC) in response to BellSouth's request for approval to offer long distance service to its customers in South Carolina.

"The Telecommunications Act of 1996 established a reward for telephone monopolies (the Regional Bell Operating Companies or RBOCs) that open their local markets," said Dr. Mark Cooper, Director of Research for CFA and author of the comments, "they would get to offer long distance service to their customers, which has been off-limits to them for years. BellSouth has not earned this reward."

CFA concludes that BellSouth falls far short of meeting the conditions for long distance entry. The record clearly demonstrates that there is no real competition for residential customers in South Carolina, that BellSouth has failed to meet the requirements of the Federal Act, and that the company has been actively creating problems for potential competitors. Withholding long distance approval is the last chance for local competition, the only tangible incentive BellSouth has to open its market to competition.

"Consumers have a lot more to lose if local competition fails than to gain from adding a little competition to long distance," Cooper noted. "CFA estimates that for every one dollar of savings consumers might realize from increased competition in long distance, there are at least four dollars that might be gained as a result of introducing competition into the local market."

Agreeing with recommendations by the Department of Justice, the South Carolina Consumer Advocate, and recent findings of the Florida Public Service Commission, CFA said that BellSouth's region wide approach to implementing local competition is fundamentally flawed. It has failed to:

- live up to the terms of arbitration agreements with potential competitors;

- make services and network elements available to competitors on fair and equal terms;
- implement standards required by federal law while pursuing unilateral; and
- participate in dispute resolution processes to which has agreed.

“The indications that the maze of anti-competitive, discriminatory road blocks which BellSouth has constructed are holding up competition in South Carolina is everywhere,”

Cooper noted. “Neither BellSouth nor any other RBOC has come to make a showing that potential competitors are failing to negotiate in good faith or failing to meet their schedules as, the RBOCs are allowed under the Federal Act. All the RBOCs need do is prove at the state public utility commission the claims they have been making in the press and they will overcome the first hurdle to entry.”

Some of the most vocal critics of the BOCs, like cable companies and competitive access providers, are not long distance companies. They have nothing to lose by getting into the local business and everything to gain. They are not holding back they, they cannot get in.

The most likely competitors for RBOCs, other RBOCs, have largely been missing in action as competitive new entrants into local markets outside their regions. They are holding back.

CFA concludes that on the basis of the evidentiary record, only one conclusion can be reached about the BellSouth application.

- Local competition is not happening because the incumbent local exchange companies do not want it to and it will not happen under these terms and conditions.

“Not only should the FCC reject the application for entry into in-region interLATA services,”

Cooper concluded, “but regulators need to go on the offensive, requiring incumbents to live up to their responsibilities. RBOC foot dragging is denying the public the benefits of competition in both the local and long distance markets.”

Founded in 1968, the Consumer Federation of America (CFA) is the nation’s largest consumer advocacy group. Composed of over 250 state and local affiliates representing consumer, senior citizen, low-income, labor, farm, public power, and cooperative organizations, CFA’s purpose is to represent consumer interest before the congress and the federal agencies and to assist its state and local members in their activities in their local jurisdictions.

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